LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m., on **TUESDAY, JUNE 17, 2003,** upon the application of **KCS RESOURCES, INC.**

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of an Order pertaining to the following matters relating to the **Hosston Formation**, **Reservoir A**, the **Cotton Valley Formation**, **Reservoir A** and the **Lower Cotton Valley Formation**, **Reservoir A**, in the Elm Grove Field, Caddo and Bossier Parishes, Louisiana.

- 1. To authorize KCS Resources, Inc. to drill, complete and utilize an additional alternate unit well for HOSS RA SU34, CV RA SU34 and LCV RA SUC at a location 330 feet from North Line and 330 feet from West Line of Section 16, Township 16 North, Range 11 West, which is an exception location as shown on the plat submitted with the application.
- 2. To authorize KCS Resources, Inc. to drill, complete and utilize an additional alternate unit well for HOSS RA SU34 at a location 380 feet from North Line and 330 feet from West of Line of Section 16, Township 16 North, Range 11 West, which is an exceptional location as shown on the plat submitted with the application.
- 3. To authorize the unit allowable for these Hosston Formation, Reservoir A, Cotton Valley Formation, Reservoir A and Lower Cotton Valley Formation, Reservoir A, units to be recovered from any of the wells located on the units at the discretion of the operator.
- 4. To consider such other matters as may be pertinent.

The Hosston Formation, Reservoir A, in the Elm Grove Field, Caddo and Bossier Parishes, Louisiana, initially identified as the Hosston Zone, was defined in Office of Conservation Order No. 361-A-1, effective on and after October 1, 1972, and was further defined, and identified as the Hosston Formation, Reservoir A, in Office of Conservation Order No. 361-A-5, effective May 25, 1977.

The Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Caddo and Bossier Parishes, Louisiana, was fully defined in Office of Conservation Order No. 361-B, effective on and after October 1, 1973, and was further defined by subsequent orders of the 361-B Series.

The Lower Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Bossier Parish, Louisiana, was fully defined in Office of Conservation Order No. 361-E, effective on and after July 16, 1996.

Plats are for inspection in the Office of Conservation in **Baton Rouge** and **Shreveport**, Louisiana. www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm.

- 17 - Page 2

ELM GROVE FIELD 03-516 thru 03-518

All parties having interest therein shall take notice thereof.

BY ORDER OF:

JAMES H. WELSH COMMISSIONER OF CONSERVATION

Baton Rouge, La 6/3/03;6/6/03 S dpe

IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION - ENGINEERING DIVISION AT P. O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN FIVE (5) WORKING DAYS OF THE HEARING DATE.